



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Friday, February 9, 2007

Electricity

Update: APS's 1,314 MW Palo Verde Nuke Unit 2 in Arizona Back on Line February 9

The unit reconnected to the electricity grid early this morning at about 15 percent of capacity. The company says the unit will ramp up to full power sometime Saturday. The unit tripped offline early Wednesday during a weekly check of a turbine.

Reuters, 10:17 February 9, 2007

TXU's 750 MW Martin Lake Coal-fired Unit 2 in Texas Shut February 8

The company shut the unit to fix a tube leak. TXU plans to restart the unit February 9-10.

Reuters, 7:27 February 9, 2007

Update: Scana's 966 MW Sumner Nuke Unit in South Carolina Back at Full Power February 9

The unit was operating at full capacity by early this morning after exiting and outage earlier in the week. The company shut the unit February 5 to fix a steam leak in the feedwater system on the non-nuclear side of the plant.

Reuters, 07:13 February 9, 2007

PPL's 321+ MW Brunner Island Coal-fired Unit in Pennsylvania Shut February 8

Reuters, 07:34 February 9, 2007

Dynegy's 579+ MW Baldwin Coal-fired Unit in Illinois Shut February 8

Reuters, 07:34 February 9, 2007

Alliant Files Plans for 300 MW Coal-fired Plant in Wisconsin

Wisconsin Power and Light Co, a subsidiary of Alliant Energy, filed an application with the Public Service Commission of Wisconsin to obtain the necessary certification to construct a 300 MW coal-fired power plant in southwestern Wisconsin. Alliant selected coal for the fuel source believing it to be the economically viable choice compared to natural gas for a plant designed to on a 24-7 basis. If approved, the proposed plant would be operational in 2012.

<http://biz.yahoo.com/bizj/070208/1414499.html?v=1>

<http://powermarketers.net/contentinc.net/newsreader.asp?ppa=8knpp%5E%5BllmoqlSSljy30qbfem%5Ev>

MidAmerican to Invest \$120 Million in System Improvements in 2007

MidAmerican Energy Co will invest \$120 million during 2007 to expand, upgrade and replace infrastructure and equipment. MidAmerican has invested an average of \$105 million in system improvements since 2000.

http://www.siouxcityjournal.com/articles/2007/02/09/news_business/local/dede9175355715358625727d0018f65b.txt

Before the End of September, NRG Plans to Apply to NRC for Construction and Operating License for 2 New Nukes in Texas

<http://www.platts.com/Nuclear/News/7081938.xml?p=Nuclear/News&sub=Nuclear>

As Cold Weather Continues: Many States Waive Heating Fuel Delivery Restrictions amid High Demand

Several states from Arizona to New York have waived hours-of-service limitations on truck drivers carrying much-needed heating oil, propane, LPG, kerosene or other fuels for home heating. Arizona, Oklahoma, Missouri, Illinois, Minnesota, Ohio, Pennsylvania, West Virginia, Virginia, Maryland, Delaware, and New York have all issued exemptions for one or more of these fuels. The conditions of the exemptions also vary. See the link at the end of this story for more information. Fuel distributors in some states have struggled to keep pace with surging heating demand over the past week's cold snap. With low temperatures expected to continue into next week, state officials are fearful that heating fuel supplies may run low. In New York, some regions have received nearly 100 inches of snow, virtually grinding fuel deliveries to a halt.

<http://www.npga.org/i4a/pages/index.cfm?pageid=832>

OPIS Price Watch Alert, 02:03 February 9, 2007

OPIS Price Watch Alert, 05:56 February 8, 2007

OPIS Price Watch Alert, 4:51 February 9, 2007

Propane Stocks Drop by 3rd Largest Amount in History

According to the latest information from the U.S. Energy Information Administration (EIA), propane stocks plunged by 6.2 million barrels during the week ending February 2. Despite the large drop in stocks, stocks remain above the five year average. Nonetheless, as mentioned above, the cold weather and high demand led to the suspension of hours-of-service driving restrictions to facilitate delivery of fuels to customers. According to OPIS, in New York, the governor acted at the specific request of the Empire State Petroleum Association and the New York Propane Gas Association. With the high volume of propane truck traffic there have been reports of overturned propane tanker trucks in Virginia and in Arkansas where leaking propane forced the evacuation of a nearby school.

Reuters, 14:21 February 9, 2007

OPIS, 17:56 February 8, 2007

http://www.wdbj7.com/Global/story.asp?S=6064793&nav=menu368_2

<http://www.thetd.com/news/breakingnews.php>

Update: Oil, Ethanol Shipments Slowed by Icy Midwest Rivers

According to barge operators, oil and grain barge traffic in the Illinois River and the upper Mississippi River have almost slowed to a halt by developing ice conditions. Many barge companies are shutting down operations because they did not want to damage their equipment. The slowdown has tightened ethanol supplies in the Houston area, causing ethanol prices to jump 15 cents to \$2.35 per gallon. Ethanol shippers were expected to rely more on truck delivery to sidestep the river transportation problems. The slowdown has not impacted ethanol prices at New York Harbor.

Reuters, 15:55 February 8, 2007

Update: Suncor Repairs Fire-Damaged Oil Sands Upgrader in Alberta

Suncor has nearly finished repairs to a fire-damaged upgrader that converts oil sands into synthetic crude oil. The company expects to return to full output over the next few days. A fire at a diluent unit on January 24 cut production at the site by about 50,000 b/d to 210,000 b/d.

Reuters, 16:39 February 9, 2007

World Refining Capacity to Expand by Nearly 12 Million b/d by 2014 - Study

According to the 2007 edition of Crude and Refined Products Outlook from the refining consulting firm of Turner, Mason & Company, world refining capacity will expand by 11.8 million b/d by the end of 2014. The figure is based on projects that have been announced, are in development, or are under construction. Underlying the estimate are the assumptions that neither labor shortages nor escalating costs will lead to deferred or cancelled projects. Some 30 percent of the projects are slated for North America, while 60 percent will be in the Middle East.

Oil Daily, February 9, 2007

Foreign Investment in Venezuela's Oil Sector Plummets in 2006

During 2006, as Venezuela's President pushed his argument for state control, foreign investment in the oil sector dropped by 55 percent to \$16.3 million. Although there were no details as to where the investments did occur, the information was included in the year-end message to the Venezuelan Congress by President Chavez.

Oil Daily, February 9, 2007

Nigeria Says it Will Comply with OPEC Production Cuts

Force Majeure Declared on Some February, March Loading Dates – Trader

Nigeria, has agreed to cut output by 142,000 barrels a day in compliance with OPEC quotas agreed to last year.

According to a trader cited by Reuters, Nigeria has declared force majeure on loading dates for seven crude oil cargoes in February and 11 in March. The figures correspond with state-owned oil company NNPC's decision early this week to reallocate 250,000 b/d in February and 300,000 b/d in March.

Reuters, 13:34 February 9, 2007

<http://www.bloomberg.com/apps/news?pid=20601086&sid=aZvPeTZyy8UY&refer=news>

Natural Gas

Anadarko Mothballs Nova Scotia LNG Project

Despite some preliminary construction at the site, Anadarko announced that it had taken a \$111 million charge for writing off the proposed Bear Head LNG facility in Nova Scotia. The company initially began to slow development of the facility in early 2006. (See EAD March 15, 2006.)

Oil Daily, February 9, 2007

<http://www.oilweek.com/news.asp?ID=7527>

<http://www.cbc.ca/canada/nova-scotia/story/2007/02/08/anadarko-strait.html>

Excelerate's Northeast Gateway Wins Approval from US Maritime Administration

The U.S. Maritime Administration (MARAD) approved Excelerate Energy's proposed plan for a floating offshore LNG terminal. The facility will be located 13 miles offshore, southeast of Gloucester, Massachusetts.

http://www.boston.com/news/globe/city_region/breaking_news/2007/02/a_second_lng_po.html

<http://intelligencepress.com/>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
February 12, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	60.64	59.01	62.66
NATURAL GAS Henry Hub \$/Million Btu	8.06	8.17	7.55

Source: Reuters

Energy Notes

Maryland Governor, Senators and 2 Members of Congress Question Safety, Urge Rejection of Proposed Sparrows Point LNG Terminal

NGI's Daily Gas Price Index, February 9, 2007

<http://intelligencepress.com/>

<http://www.wmdt.com/wires/displaystory.asp?id=58434202>

National Marine Fisheries Services Argues that Broadwater LNG Terminal Study is Flawed Requests FERC to Broaden EIS: Senator Clinton Says Many Unanswered Question from Broadwater Study

<http://www.newsday.com/business/local/ny-bzbroad0209,0,7100851.story?track=rss>

NGI's Daily Gas Price Index, February 9, 2007

<http://intelligencepress.com/>

Colorado PUC Approves 8MW Solar Project – One of Largest in Country

<http://www.sunedison.com/images/press/082506-xcel.pdf>

<http://www.platts.com/Electric%20Power/News/6352435.xml?p=Electric%20Power/News&sub=Electric%20Power>

Attacks on Infrastructure, Inadequate Maintenance, Mismanagement and Corruption Point to Decline of Iraqi Oil Industry

Energy Compass, February 9, 2007

http://www.energyintel.com/PublicationHomePage.asp?publication_id=1

Russia to Emphasize Exports of Higher Value Refined Products Over Crude Oil

Nefte Compass, February 8, 2007.

http://www.energyintel.com/PublicationHomePage.asp?publication_id=3

Ecuador Should Rejoin OPEC – Ecuadorian Interior Minister

<http://www.platts.com/Oil/News/6352424.xml?p=Oil/News&sub=Oil>

Problems Continue to Trouble BP's Fleet of New Oil Tankers

[http://search.adn.com/search-](http://search.adn.com/search-bin/search.pl.cgi?product=DWB&sf_meta_product=DWB&live_template=http%3A%2F%2Fadn.com%2Fsearch_tpl%2Fresults%2Fdwb%2Findex.html&collection=ENDECA_INDEX&fields=*&preview_template=http%3A%2F%2Fadn.com%2Fsearch_tpl%2Fresults%2Fdwb%2Findex.html&preview=1&results_per_page=10&aggregate_key=meta_rollup&sf_meta_object_type=TextualContent&sort=dwb_psd_publish_dt+desc&sf_dwb_target=BP+tankers)

[bin/search.pl.cgi?product=DWB&sf_meta_product=DWB&live_template=http%3A%2F%2Fadn.com%2Fsearch_tpl%2Fresults%2Fdwb%2Findex.html&collection=ENDECA_INDEX&fields=*&preview_template=http%3A%2F%2Fadn.com%2Fsearch_tpl%2Fresults%2Fdwb%2Findex.html&preview=1&results_per_page=10&aggregate_key=meta_rollup&sf_meta_object_type=TextualContent&sort=dwb_psd_publish_dt+desc&sf_dwb_target=BP+tankers](http://search.adn.com/search-bin/search.pl.cgi?product=DWB&sf_meta_product=DWB&live_template=http%3A%2F%2Fadn.com%2Fsearch_tpl%2Fresults%2Fdwb%2Findex.html&collection=ENDECA_INDEX&fields=*&preview_template=http%3A%2F%2Fadn.com%2Fsearch_tpl%2Fresults%2Fdwb%2Findex.html&preview=1&results_per_page=10&aggregate_key=meta_rollup&sf_meta_object_type=TextualContent&sort=dwb_psd_publish_dt+desc&sf_dwb_target=BP+tankers)

Manufacturing Capacity Lags Demand for Wind Generation Equipment

http://pro.energycentral.com/professional/news/power/news_article.cfm?id=7781068

Labor Problems Could Disrupt US and Canadian Railroads Later in 2007

<http://www.platts.com/Coal/News/6352600.xml?p=Coal/News&sub=Coal>

Oil Tanker Aground Near Finland – No Leaks Detected February 9

http://news.yahoo.com/s/afr/20070209/sc_afr/finlandshipping_070209172516

Falling Tree Cuts power to 2,600 Customers Including Schools and Police in Onalaska, Wisconsin

<http://www.lacrossetribune.com/articles/2007/02/09/news/z05onalaska.txt>

U.S. Planted Corn Could Reach Grow by 12 Million Acres in 2007 Due to Crop-Switching Amid Ethanol Boom – Industry Expert

Reuters, 21:53 February 8, 2007

Oil Output in Americas to Decline by 200,000 b/d in 2007 – Fimat USA Inc.

Bloomberg News, 23:38 February 8, 2007

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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